

## Message Text

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PAGE 01 WELLIN 03629 280518Z

15

ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

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R 280415Z SEP 76

FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 2049

INFO AMEMBASSY CANBERRA

USDEL MTN GENEVA

USMISSION OECD PARIS

UNCLAS WELLINGTON 3629

E.O. 11652: N/A

TAGS: EALR, EFIN, ETRD, NZ

SUBJ: AUGUST CURRENT ACCOUNT OVERSEAS EXCHANGE TRANSACTION DEFICIT  
\$82 MILLION

REF: WELLINGTON 3144

1. SUMMARY: THE AUGUST 1976 CURRENT ACCOUNT DEFICIT ROSE SLIGHTLY OVER JULY TO \$82 MILLION (ALL DOLLARS ARE NZ, US\$0.9866 EQUALS NZ\$1.00). CONTINUED INCREASES IN PAYMENTS FOR IMPORTS AND INVISIBLES WERE CHIEFLY RESPONSIBLE FOR CONTINUED HIGH DEFICIT. THE AUGUST NET CAPITAL INFLOW WAS \$2.1 MILLION. THE CURRENT ACCOUNT DEFICIT FOR THE YEAR ENDING AUGUST WAS \$739 MILLION. THE INVISIBLES DEFICIT ACCOUNTED FOR \$517 MILLION OF THIS. THE NET CAPITAL INFLOW FOR THE AUGUST YEAR WAS \$408 MILLION. END SUMMARY

2. AUGUST EXPORTS AND INVISIBLES RECEIPTS EACH ROSE ABOUT \$2 MILLION OVER JULY TO \$295 MILLION. AUGUST IMPORT PAYMENTS ROSE \$10 MILLION OVER JULY TO \$263 MILLION, BUT INVISIBLES PAYMENTS DROPPED \$18 MILLION TO \$114 MILLION. THE DEFICIT  
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PAGE 02 WELLIN 03629 280518Z

ON CURRENT ACCOUNT THUS ROSE \$1 MILLION OVER JULY TO \$82 MILLION.

3. AUGUST CAPITAL RECEIPTS (ALL PRIVATE) DROPPED TO \$12.5 MILLION (VS. \$228 MILLION IN JULY) BUT CAPITAL PAYMENTS DROPPED \$56 MILLION TO \$10 MILLION LEAVING A SURPLUS OF \$2 MILLION IN THE CAPITAL ACCOUNT (VS. \$162 MILLION IN JULY).

4. FOREIGN EXCHANGE RESERVES FELL BY \$50 MILLION DURING AUGUST.

5. FOR THE THREE MONTHS ENDING AUGUST THE CURRENT ACCOUNT DEFICIT ROSE TO \$229 MILLION COMPARED WITH \$84 MILLION FOR THE TRIMESTER ENDING MAY. EXPORT RECEIPTS DECREASED \$33 MILLION FROM THE TRIMESTER ENDING MAY TO \$754 MILLION BUT IMPORT PAYMENTS JUMPED \$60 MILLION TO \$775 MILLION. THE TRADE BALANCE THUS SWUNG FROM A \$71 MILLION SURPLUS IN THE MAY TRIMESTER TO A DEFICIT OF \$21 MILLION IN THE 3 MONTHS ENDING AUGUST THE INVISIBLES DEFICIT INCREASED BY 50 PER CENT TO \$208 MILLION IN THE SAME PERIOD.

6. THE NET CAPITAL INFLOW DURING THE 3 MONTHS ENDING AUGUST WAS \$177 MILLION.

7. THE CURRENT ACCOUNT DEFICIT FOR THE YEAR ENDING AUGUST 1976 ROSE TO \$739 MILLION. EXPORT RECEIPTS WERE \$2,628 MILLION AND INVISIBLES \$623 MILLION WHILE IMPORT PAYMENTS REACHED \$2,850 MILLION AND INVISIBLES PAYMENTS \$1,140 MILLION

8. CAPITAL RECEIPTS FOR THE AUGUST YEAR WERE \$988 MILLION AND CAPITAL PAYMENTS (INCLUDING \$278 MILLION IN GOVERNMENT DEBT REPAYMENTS) WERE \$579 MILLION.

9. OFFICIAL RESERVES DROPPED \$81 MILLION IN AUGUST TO \$648 MILLION.

10. COMPARISON OF THE AUGUST 1975 FIGURES WITH AUGUST 1976 SHOULD BE MADE WITH CAUTION AS THE NZ DOLLAR WAS DEVALUED 15 PER CENT IN AUGUST 1975. THE VALUE OF TRANSACTIONS BEFORE AND AFTER DEVALUATION WERE INFLUENCED BY THIS.  
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## Message Attributes

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**TAGS:** EALR, EFIN, ETRD, ECON, NZ  
**To:** STATE  
**Type:** TE  
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